

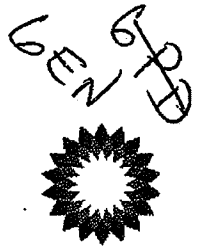
bp

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BP Products North America Inc.
2401 5th Avenue South
Post Office Box 401
Texas City, TX 77590
USA
Switchboard 409 945 1011
HSE Fax 409 965 0031



December 17, 2010

CERTIFIED MAIL# 7003 1010 0003 8831 7417
RETURN RECEIPT REQUESTED

Dr. Al Armendariz
Regional Administrator
United States Environmental Protection Agency - Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

Re: Texas Flexible Permit Program
BP Products North America Inc.
Texas City Refinery, Texas City, Texas

RECEIVED
2010 DEC 22 AM 7:01
EXTERNAL AFFAIRS DIVISION

Dear Dr. Armendariz:

BP Products North America Inc. received John Blevins' letter dated September 20, 2010, and the follow-up letter dated December 2, 2010. We understand that identical letters were circulated to other Texas flexible permit holders. In them, you outlined a number of concerns associated with flexible permits, and you asked for a clear understanding as to the path each company plans to take on the issue. BP appreciates the opportunity for dialogue regarding your concerns with Texas flexible permits.

In response to the John Blevins letters, BP met with you and your staff on November 18, 2010. The meeting was very productive, and we believe that we have the basis to resolve EPA's concerns regarding our Texas City flexible permit. As you suggested, we have scheduled a follow-up meeting with Stephani Kordzi of your staff to continue our discussion, and to resolve all remaining issues with the process we outlined.

In the meeting, you asked for a formal commitment to take the steps we outlined. BP commits to use a SIP-approved permit amendment process to convert the Texas City Refinery flexible permit into a permit issued under 30 *Tex. Admin. Code* Chapter 116, Subchapter B. We share your goal of transparency for this process, and we will provide full public notice of our conversion amendment. In our amendment application, BP will include a detailed justification for each of the emission limits established in the Subchapter B permit. As you suggested, our application will include an historical review of our emissions limits and control levels on a unit-specific basis, showing the progression of those limits and control levels from pre-flex status to the proposed post-flex Subchapter B requirements. We will maintain the enhanced monitoring, recordkeeping and reporting requirements that we now apply to track compliance on an hourly

and annual basis. We will maintain compliance caps for discrete source categories, in order to ensure that the amendment results in no increase above the current levels authorized by the state.

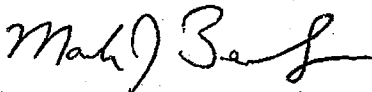
BP commits to submit flexible permit conversion application(s) to the Texas Commission on Environmental Quality by June 30, 2011. We will keep EPA updated regarding our progress in submitting and processing each of these applications.

As you suggested at our meeting, BP will memorialize this commitment as part of its next Title V annual compliance certification, which we will submit on or before January 31, 2011.¹ This submittal will be certified by the Responsible Official for the site, using the federally-approved certification process. The compliance certification will provide you with the formal tool you requested in order to demonstrate that your issues with BP's flexible permits are being resolved on a certain schedule.

BP has considered closely the compliance issues that EPA has raised with respect to Texas flexible permits. We consider our own flexible permit to be a valid, federally enforceable component of our integrated construction and operating permit authorizations. As we discussed in our meeting, the site has achieved significant emissions reductions during the time that the flex permit has been in place. We believe those reductions have contributed substantially to the dramatic and sustained improvements in air quality measured in our area. We used our flexible permit in a manner consistent with federal requirements. Accordingly, we do not believe that an enforcement action is an appropriate way to resolve the issues you outlined. Instead, we look forward to a prompt resolution of your concerns as part of the productive dialogue we have begun with your permitting staff.

BP appreciates the cordial and cooperative dialogue that you and your staff extended to us at our meeting, and we look forward to working together to achieve a prompt resolution of the process.

Sincerely,



Mark J. Berlinger
Environmental Manager

CP/dr

¹ Sources included in the flex permit are currently covered by two Title V Operating Permits, Nos. 01541 and 02328. Annual certifications memorializing the commitment to submit the flex permit conversion application(s) will be submitted on the annual certifications for both Title V permits